

Office of the Governor
State of Louisiana

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House Majority Whip Steve Scalise
2338 Rayburn House Office Building
Washington, D.C. 20515

August 29, 2017

Dear House Majority Whip Scalise:

Re: Greater New Orleans Hurricane Storm Damage Risk Reduction System (HSDRRS)

This letter is a follow-up to one sent on June 1, 2017 with regard to the Greater New Orleans HSDRRS which is scheduled for completion and full hand over to the State of Louisiana in late 2019 or early 2020. This \$14 billion federal investment provided the assurance of physical safety and economic security to the people and businesses in the Greater New Orleans Area thereby setting the stage for the tremendous comeback the region has experienced over the past twelve years. As national leaders are again making efforts to address our nation's aging or non-existent infrastructure needs through public and private spending I wanted to once again draw your attention to the HSDRRS and the countless other examples of "coastal infrastructure" investment opportunities presented by the state's *Comprehensive Master Plan for a Sustainable Coast: 2017* (Coastal Master Plan).

The HSDRRS, a recent, successful example of federal investment in coastal infrastructure, was not only authorized and appropriated but also substantially built at a record pace. The implementation of this system of levees, floodwalls, and pumps demonstrates the government's ability to act swiftly in the face of a crisis and to build things of lasting significance.

The State of Louisiana partnered with the federal government on aspects of the HSDRRS system in order to meet the 100-year protection guidelines of the National Flood Insurance Program. As a result, the State's projected total cost-share for HSDRRS projects is \$1.67 billion which includes \$1.155 billion in original principle and approximately \$519 million in accumulated construction interest. Soon, the State will be asked to begin "paying back" this sum over thirty years in \$100 million annual payments. The additional interest accumulated over the payback period will amount to \$1.35 billion which brings the total amount owed by Louisiana to \$2.98 billion.¹ We believe that this proposal represents a failure to appreciate the scale of the problem faced in coastal Louisiana and the significant impact Louisiana's land loss crisis has on the nation at large. Instead, I would urge your assistance in re-orienting the HSDRRS issue from one of debt repayment to one of coastal infrastructure investment opportunity.

¹ The State has sent prior communications to the delegation detailing these issues as well as potential options for consideration on October 3, 2016 as well as the afore mentioned June 1, 2017 correspondence.

The CPRA stands ready to re-commit the \$100 million of annual debt service payments into Coastal Master Plan projects that will directly protect and sustain the federal government's \$14 billion HSDRRS investment. In 2016, the CPRA Board identified and resolved to support \$21 billion in projects that would benefit over 272,000 acres of land that will add resiliency to the HSDRSS, extend its lifespan, and avoid damages to assets inside the system. We believe this proposal is not only a more proactive approach to the safety and economic risks experienced in the Greater New Orleans area, but also falls in line with the developing federal interest in infrastructure investment across the country.

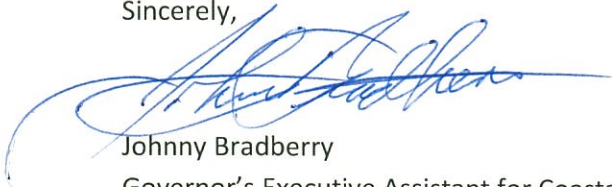
Whether the federal infrastructure program under discussion is \$200 billion or \$1 trillion it should consider Louisiana's remaining HSDRRS balance as a small first step toward those goals. CPRA's proposal to commit \$100 million per year toward Coastal Master Plan projects that compliment and fortify the federal HSDRRS investment (while also making the coast more resilient in the long term) should also be compatible with any federal infrastructure program.

The Coastal Master Plan contains dozens of coastal infrastructure projects, 124 to be exact, that have been evaluated scientifically and adopted after public vetting and a unanimous vote of the State Legislature. These projects are essential to the future of our state. Overall, the Coastal Master Plan delivers over 800 square miles of land built or maintained and over \$150 billion in avoided expected annual damages after 50 years. This potential accomplishment is possible in spite of increasingly difficult environmental conditions on the ground. This plan includes both environmental restoration projects as well as structural protection projects like the Morganza to the Gulf system in Terrebonne and Lafourche Parishes that is projected to save \$1.5 billion in expected annual damages at year 25 and *\$3.4 billion in expected annual damages* by year 50.

The Coastal Master Plan is Louisiana's blueprint for high-impact, high-value coastal infrastructure for the next 50 years and we hope that it will be considered as the federal government shapes its priorities with regard to additional federal infrastructure spending or reforms. The State of Louisiana has developed this plan out of extreme need. It has lost 1,900 square miles since 1932 and could stand to lose an additional 1,200 to 4,100 square miles by 2067. Under these circumstances it would be extremely short sighted to require Louisiana to redirect coastal funds to make HSDRRS debt payments that could better be used to make future progress toward the full buildout of our Coastal Master Plan. I urge that you help us to make that case in Washington and that you would reach out to us whenever we can be helpful to you in making that case.

I stand ready to discuss this issue at your request.

Sincerely,



Johnny Bradberry

Governor's Executive Assistant for Coastal Activities

cc:

Sen. William Cassidy, M.D.
Sen. John Kennedy
Rep. Ralph Abraham
Rep. Garret Graves
Rep. Clay Higgins
Rep. Mike Johnson
Rep. Cedric Richmond

John Bel Edwards, Governor
Mark Cooper, Chief of Staff
Jay Dardenne, Commissioner of Administration, Division of Administration
Sen. John Alario, Jr., President, Louisiana State Senate
Rep. Taylor Barras, Speaker of the House, Louisiana House of Representatives
Sen. Norbert Chabert, Chairman, Senate Natural Resources Committee
Rep. Stuart Bishop, Chairman, House Natural Resources and Environment Committee
Rep. Kenneth Havard, Chairman, House Transportation, Highways, and Public Works Committee
Sen. Page Cortez, Chairman, Senate Transportation, Highways, and Public Works Committee
Michael Ellis, Executive Director, CPRA
Janice Lansing, Chief Financial Officer, CPRA
David Peterson, General Counsel, CPRA
Chip Kline, Deputy Director, Office of the Governor
Coastal Protection and Restoration Authority Board